

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Office of Financial and Insurance Regulation

Enforcement Case No. 12-11562

Agency Case No. 12-031-L

Petitioner,

v

Lithuanian Alliance of America

NAIC No. 58262

Respondent.

_____/

Issued and enter
this 25th day of October 2012
by Randall S. Gegg
Deputy Commissioner

FINAL DECISION

I. BACKGROUND

Respondent Lithuanian Alliance of America is an authorized fraternal insurer in the state of Michigan. On July 18, 2012, the Office of Financial and Insurance Regulation (OFIR) issued a Notice of Opportunity to Show Compliance (NOSC) to Respondent at its official mailing address, as filed with OFIR. The NOSC alleged that the Respondent has committed acts that provide justification for the Commissioner to order appropriate sanctions under Sections 150, 436, 437, 438, and 476a of the Michigan Insurance Code (Code), 1956 PA 218, as amended, MCL 500.100 *et seq.*, for Respondent's violations of Sections 224(4), 240(1), 436, and 438(1) of the Code. Respondent failed to reply to the Notice.

On September 5, 2012, OFIR issued an Administrative Complaint and Order for Hearing to Respondent at its official mailing address. The Order for Hearing required Respondent to take one of the following actions within 21 days: agree to a resolution of the case, file a response to the allegations with a statement that Respondent planned to attend the hearing, or request an adjournment. Respondent failed to take any of these actions.

On October 3, 2012, OFIR staff filed a Motion for Final Decision. Respondent did not file a

reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. The Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Commissioner makes the following Findings of Fact and Conclusions of Law.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On July 18, 2012, OFIR served the Respondent with a NOSC.
2. The NOSC contained the following Statement of Factual Allegations:
 - a. The Office of Financial and Insurance Regulation is responsible for the licensing and regulation of insurance companies and the enforcement of the provisions of the Code.
 - b. Lithuanian Alliance of America is an authorized fraternal insurer in the state of Michigan.
 - c. On or about June 28, 2011, OFIR sent Lithuanian Alliance of America Invoice No. 00869923 for payment of \$250.00 for the 2010/11 Regulatory Assessment Fee.
 - d. Invoice No. 00869923 clearly indicated that Lithuanian Alliance of America's payment of \$250.00 was due by July 28, 2011.
 - e. On May 1, 2012, OFIR sent Lithuanian Alliance of America a letter stating that its certificate of authority was in jeopardy because Invoice No. 00869923 was past due and requesting payment by May 22, 2012.
 - f. Lithuanian Alliance of America has failed to pay Invoice No. 00869923.
 - g. On or about January 30, 2012, OFIR sent Lithuanian Alliance of America Invoice No. 00876490 for payment of \$25.00 for the Annual Statement Filing Fee for Insurers.
 - h. Invoice No. 00876490 clearly indicated that Lithuanian Alliance of America's payment of \$25.00 was due by March 1, 2012.
 - i. Lithuanian Alliance of America has failed to pay Invoice No. 00876490.
 - j. On or about June 25, 2012, OFIR sent Lithuanian Alliance of America Invoice No. 00894630 for payment of \$250.00 for the 2011/12 Regulatory Assessment Fee.

- k. Invoice No. 00894630 clearly indicates that Lithuanian Alliance of America's payment of \$250.00 was due by July 25, 2012.
- l. Lithuanian Alliance of America has failed to pay Invoice No. 00894630.
- m. Lithuanian Alliance of America knew or had reason to know that Section 224(4) of the Code provides an insurer is subject to a regulatory fee and the Commissioner shall impose upon all insurers authorized to do business in this state a regulatory fee.
- n. Lithuanian Alliance of America has failed to pay the regulatory assessment fee, even after OFIR notified Lithuanian Alliance of America of its delinquency.
- o. Lithuanian Alliance of America knew or had reason to know that Section 240(1) of the Code provides that the filing fee for annual statement of foreign and alien insurers, each year, subject to Section 476a, is \$25.00.
- p. Lithuanian Alliance of America knew or had reason to know that Section 438(1) of the Code provides that an insurer shall pay the filing fee prescribed in section 240(1)(b).
- q. Lithuanian Alliance of America has failed to pay the annual \$25.00 statement filing fee.
- r. Lithuanian Alliance of America knew or had reason to know that Section 438(3) of the Code provides that the Commissioner may address inquires to any insurer, in relation to the insurer's activities or conditions, or any matter connected with the insurer's transactions. An insurer so addressed shall promptly reply in writing to each inquiry by the Commissioner.
- s. Lithuanian Alliance of Alliance failed to respond to OFIR's letter requesting payment of the fees or pay the above referenced Invoices.
- t. Lithuanian Alliance of America further knew or had reason to know that Section 436 of the Code provides that the Commissioner may suspend, revoke, or limit the certificate of authority of an insurer if he determines that the insurer's condition is no longer safe, reliable, or entitled to public confidence, or is unsound, or the insurer is using financial methods and practices in the conduct of its business that render further transaction of insurance by the insurer in this state hazardous to policyholders, creditors, or the public, the insurer fails to promptly comply with sections 222 or 438, the insurer has failed, within 30 days after notice of delinquency from the Commissioner, to cure its failure to pay the taxes, fees, assessments, or expenses required by this Act, or the insurer has violated any other provision of the Insurance Code that provides for suspension or revocation of its certificate of authority.

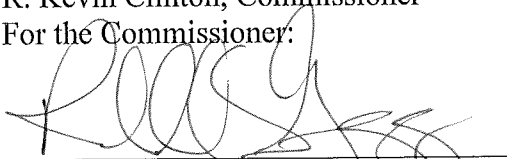
- u. Lithuanian Alliance of America is no longer safe, reliable, or entitled to public confidence due to its current and consistent failure to pay required statutory fees under Sections 224, 240, and 438 of the Code and therefore Lithuanian Alliance of America's certificate of authority is subject to revocation.
- v. Lithuanian Alliance of America further knew or had reason to know that Section 476a of the Code provides that the Commissioner shall revoke the certificate of authority of an alien or foreign insurer refusing for 30 days to make payment of fees or taxes as required by this chapter.
- w. Lithuanian Alliance of America has been notified of its failure to pay required statutory fees under Sections 224, 240, and 438 of the Code and therefore Lithuanian Alliance of America's certificate of authority is subject to revocation.
- x. Based upon the actions listed above, Lithuanian Alliance of America has committed acts that are grounds for the Commissioner ordering all appropriate sanctions under Sections 150, 436, 437, 438, and 476a of the Code, for the Lithuanian Alliance of America's violations of Sections 224(4), 240(1), 436, and 438(1) of the Code.

III. ORDER

Based on the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Lithuanian Alliance of America shall immediately cease and desist from violating the Insurance Code.
2. Lithuanian Alliance of America shall immediately pay all past due invoices:
 - a. Invoice No. 00869923 - \$250.00 – Regulatory Assessment Fee.
 - b. Invoice No. 00876490 - \$25.00 – Annual Statement Filing Fee.
 - c. Invoice No. 00894630 - \$250.00 – Regulatory Assessment Fee.
3. The certificate of authority of Lithuanian Alliance of America is hereby **REVOKED**.

R. Kevin Clinton, Commissioner
For the Commissioner:



Randall S. Gregg, Deputy Commissioner